



News Release

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EARLY FILERS OVERWHELMINGLY CHOOSE DIRECT DEPOSIT FOR REFUNDS

WASHINGTON – Most early tax filers not only get refunds, they get them quickly by choosing Direct Deposit. According to new data from the Internal Revenue Service, 70 percent of this year's refunds were being deposited directly to a bank account. As of Feb. 22, there were more than 20 million Direct Deposit refunds, an 11.6 percent increase from nearly 18 million at the same time last year.

"Direct Deposit is fast, safe and convenient," said IRS Commissioner Charles O. Rossotti. "You can use it whether you file electronically or on paper. It also saves tax dollars – it costs less than sending a paper check."

Taxpayers who combine e-filing of their returns with direct deposit of their refunds can get their money in as soon as 10 days, with the average being about 14 days. Paper return filers generally get their Direct Deposit refunds within four weeks, although that wait time gets longer for those who file close to the April 15 deadline.

To choose Direct Deposit, put the routing and account numbers for your checking or savings account on your tax return, just after the refund amount. The tax instructions include an illustration of where these numbers appear on a check. In some cases, you may need to contact your financial institution for the numbers. Double check your return to be sure you have entered all the digits correctly.

Unlike checks, Direct Deposits can't be lost or stolen, and they don't require a trip to the bank. Each year, the IRS gets back tens of thousands of undeliverable checks, which might never have occurred if the taxpayers had used Direct Deposit.

There is no minimum amount required to use Direct Deposit, although taxpayers seem more likely to use it if they have a larger refund. The average Direct Deposit this year is \$2,475, a few hundred dollars more than the \$2,154 average for all refunds.

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2002 FILING SEASON STATISTICS

Cumulative through the week ending 2/23/01 and 2/22/02

	<u>2001</u>	<u>2002</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	38,949,000	38,900,000	- 0.1
Total Processed	30,280,000	31,188,000	3.0
E-filing Receipts:			
TOTAL	22,875,000	24,993,000	9.3
TeleFile (phone)	2,926,000	2,670,000	- 8.7
Computer	19,949,000	22,323,000	11.9
Tax Professionals	16,987,000	18,233,000	7.3
Self-prepared	2,962,000	4,090,000	38.1
Refunds Certified by the Martinsburg Computing Center:			
Number	27,684,000	28,638,000	3.4
Amount of principal	\$53.352 billion	\$61.677 billion	15.6
Average refund	\$1,927	\$2,154	11.8
Direct Deposit Refunds:			
Number	17,997,000	20,085,000	11.6
Amount	\$40.830 billion	\$49.700 billion	21.7
Average	\$2,269	\$2,475	9.1